



STATE OF TENNESSEE
BUREAU OF TENNCARE
DEPARTMENT OF FINANCE AND ADMINISTRATION
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Pharmacy News

Compounded Prescriptions

As you know, on July 1, 2003, TennCare consolidated the entire pharmacy billing process under a single pharmacy benefits manager (PBM), ACS Consultec. Some TennCare enrollees were prescribed compounded medications prior to July 1st that had been reimbursed by the MCO's PBMs. In order to eliminate any disruption to the delivery and continuance of these prescriptions, we are outlining in this communication the billing procedures for compounded prescriptions.

- Step 1.** When prompted for an NDC number, the pharmacy should enter the NDC number for the most expensive ingredient (if the most expensive ingredient does not have an NDC number, then enter the NDC number for the second most expensive ingredient).
- Step 2.** The Pharmacy will then enter the quantity of the final product dispensed. For example, if the compounded product is a 360ml suspension that incorporates 30 tablets of a legend drug, then the final dispensed quantity would be "360".
- Step 3.** The pharmacy will enter the combined ingredient cost for all ingredients included in the compounded product. The ingredients cost entered should not include any other costs such as labor, bottles, or professional fees.
- Step 4.** Next, the pharmacy should change the compound indicator to indicate it is a compounded prescription (2).
- Step 5.** The claim should then be transmitted to ACS (Consultec) through the POS pharmacy claims processing system and a twenty-five dollar professional dispensing fee will be added to the reimbursement.

The systems changes needed to make these claims process appropriately will be completed on or before August 15, 2003. Please prepare and dispense compounded prescriptions for TennCare enrollees until that time and bill ACS after August 15th for those services. If you encounter any problems processing compounded prescriptions, please contact the TennCare Pharmacy Unit at 1-888-816-1680. Coverage of compounded prescriptions by TennCare is limited to drugs within therapeutic categories normally covered by TennCare.